

Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 CAB-02 CIAE-00 COME-00 DODE-00
DOTE-00 EB-08 INR-07 NSAE-00 FAA-00 AID-05 FRB-03
USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02 LAB-04
SIL-01 OMB-01 PM-05 H-01 L-03 NSC-05 PA-01
PRS-01 SS-15 /090 W
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FM AMEMBASSY CARACAS
TO SECSTATE WASHDC 9301

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E.O. 11652: NA
TAGS: EAIR, VE
SUBJECT: LATIN AMERICAN AIRLINE PROPOSAL

1. DIEGO ARRIA, VENEZUELA'S MINISTER OF TOURISM AND INFORMATION, AND PRESIDENT OF THE XIII INTERAMERICAN TOURISM CONGRESS PRESENTLY MEETING IN CARACAS HAS PROPOSED TO THE GROUP THE CREATION OF A SINGLE STATE-OWNED LATIN AMERICAN AIR CARRIER, CREATED TO QUOTE COUNTERACT THE HIGH TARIFFS ESTABLISHED BY THE MONOPOLY OF FOREIGN AIRLINES UNQUOTE. ARRIA WAS NOT VERY SPECIFIC AS TO THE STRUCTURE, ECONOMIC FEASIBILITY AND MODE OF OPERATION OF SUCH A CARRIER.

2. COMMENT: THE IDEA OF A LATIN AMERICAN OR EVEN AN ANDEAN BLOC AIR FREIGHT CARRIER IS NOT A NEW ONE. HOWEVER, APPARENTLY ONLY COLOMBIA HAS GIVEN THE PROPOSAL SERIOUS CONSIDERATION. PRINCIPAL OBJECTIONS CITED INCLUDE A LACK OF SUFFICIENT TRAFFIC TO MAKE SUCH A SYSTEM PROFITABLE AND COUNTRIES' DESIRES TO KEEP THEIR OWN RESPECTIVE FLAG CARRIERS. ACCORDING TO VENEZUELAN SOURCES, COLOMBIAN INTEREST HAS BEEN BASED PRIMARILY ON OTHER ANDEAN BLOC MEMBERS PURCHASING EQUIPMENT, WITH AVIANCA OPERATING THE NEW CARRIER, THUS BOLSTERING ITS OWN RESOURCES. THE IDEA OF A PASSENGER AIRLINE CARRYING TRAFFIC WITHIN LATIN AMERICA MIGHT APPEAR MORE FEASIBLE
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BUT ALSO WOULD BE OPPOSED BY EXISTING AIRLINES.

3. IT IS SURPRISING THAT ARRIA WOULD BRING THIS MATTER UP, SINCE HE IS NOT INEXPERIENCED IN AVIATION MATTERS. IN THE PAST, HE HAS REPRESENTED VENEZUELA AT BILATERAL CIVIL AVIATION NEGOTIATIONS. HE CERTAINLY IS AWARE OF IATA MECHANISMS FOR ESTABLISHING RATES AND ALSO SHOULD KNOW THAT THERE IS NO FOREIGN MONOPOLY IN AIR TRAFFIC IN

LATIN AMERICA. END COMMENT.

VAKY

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AIR CARGO, AIRLINES, GOVERNMENT CORPORATIONS, PROPOSALS (BID)
Control Number: n/a
Copy: SINGLE
Sent Date: 20-Sep-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Executive Order: N/A
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Expiration:
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Format: TEL
From: CARACAS
Handling Restrictions: n/a
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ISecure: 1
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Review Exemptions: n/a
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Review Release Date: n/a
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Review Withdrawn Fields: n/a
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Subject: LATIN AMERICAN AIRLINE PROPOSAL
TAGS: EAIR, VE, XM, INTERAMERICAN TOURISM CONGRESS
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